SECTION 2: INDIA

"The Commission shall investigate and report on—

"REGIONAL ECONOMIC AND SECURITY IMPACTS—The triangular economic and security relationship among the United States, [Taiwan], and the People's Republic of China (including the military modernization and force deployments of the People's Republic of China aimed at [Taiwan]), the national budget of the People's Republic of China, and the fiscal strength of the People's Republic of China in relation to internal instability in the People's Republic of China and the likelihood of the externalization of problems arising from such internal instability."

A Commission delegation traveled to New Delhi, India in August 2007 to discuss with Indian experts and U.S. government personnel perspectives on China's development, Sino-Indian relations, and the impact of Chinese regional influence on U.S. security and relations in Asia. The delegation met with academicians, policy experts, former diplomats and government officials, personnel of government-funded think tanks and research organizations, and a representative of the Tibetan government in exile.[60] In some cases, this Commission report will not attribute statements to individuals at their request to protect their anonymity.

Introduction to Sino-Indian Relations

China and India have a long history of political, economic, cultural, and religious relations extending back to the first century A.D. In the mid-twentieth century, China and India both underwent significant political transformations, with India gaining independence from the United Kingdom in 1947, and the Communist Party under Mao Zedong seizing control of China and forming the People's Republic of China in 1949. In the following years, both countries aspired to lead the developing world and joined the "nonaligned" movement with its Five Principles of Peaceful Coexistence.[61] These principles are: "mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence."[62]

However, in 1962, after a decade of building tension, China and India engaged in a short war over border territories—an event that has become pivotal in the minds of Indian policymakers and in their approach to Sino-Indian relations. When China invaded Tibet in 1950, India's leadership sent a small force to India's disputed

northeast boundary with Tibet, known as the McMahon Line. In 1955, when China constructed a military supply route linking Tibet to Xinjiang province along the McMahon line, India responded with an increased military presence at the border and there was a series of minor border skirmishes over the next several years. Developing Indian diplomatic relations with the United States and a general military buildup across India convinced Chinese authorities that India was preparing to launch an incursion across the McMahon line; China responded by attacking an Indian border outpost in September 1962. Full-scale conflict lasted only a few months and resulted in a complete military victory for the Chinese and withdrawal of Indian forces. In November 1962 Chinese Premier Zhou Enlai announced a cease-fire and withdrew Chinese forces to 20 kilometers behind the "line of actual control" (the McMahon Line), keeping the Xinjiang-Tibet road under Chinese control but ceding the rest of the territory back to India.[63] Since that time, there have been minor skirmishes, but no full-scale attacks. However, this border region remains an area of tension and conflict between the two countries.

After the Cold War ended in the early 1990's, both countries resumed engagement and began increasing trade, while also addressing border disputes. One academic noted that the most important recent change in Sino-Indian relations is the adoption of healthy realism by both nations. In the academic's opinion, Indian and Chinese policymakers realize there is great economic potential in trade between the two countries, and they are willing to separate contentious issues such as border disputes from the pursuit of trade and economic ties. In 2005 China and India held a strategic dialogue and established a "strategic and cooperative partnership."[64] Further, in June 2007, External Affairs Minister Shri Pranab Mukherjee stated, "While we remain fully conscious of our outstanding differences with China, including on the boundary question, the basic paradigm of our approach is to seek an all-around development of ties, without allowing these differences to define the agenda of the relationship . . . [T]he India-China partnership is an important determinant for regional and global peace and development, and for Asia's emergence as the political and economic center of the new international order."[65]

Yet a healthy dose of Indian suspicion and skepticism toward China remains and is growing. This was an evident motivator for India's efforts to acquire nuclear capability; indeed, New Delhi stated that it acquired nuclear capacity because of the threat China poses to India, as well as China's nuclear assistance to neighboring Pakistan with which India has a troubled history.[66] Today, this suspicion is expressed through a cautious approach by India to trade and security relations with China—for example, in protection of certain economic sectors from Chinese investment, in wariness towards China's military modernization and in initiatives for security cooperation with China; and in development of stronger relationships with other countries on the Pacific Rim including the United States.

Significant Issues in Sino-Indian Relations

Deepening Economic Relations

Sino-Indian trade has grown rapidly in the past five years, bolstered by the declaration of a "strategic and cooperative partnership" in 2005, and the symbolic opening of border passes to facilitate trade. In 2000, bilateral trade equaled $2.91 billion. By 2006, trade between the two countries totaled $25 billion. With this growth, India became China's tenth largest trading partner.[67] China is on track to become India's largest trading partner after the United States.[68] Indian exports to China are dominated by iron ore, whereas Chinese exports to India are comprised of manufactured goods such as electronics and machinery.[69] China is investing in India's infrastructure development—totaling $50 million in 2006— even though the New Delhi government has limited Chinese investment in sectors such as ports and telecom.[70] "Indian investment in China currently stands at $130 million," compared to the United States' investment of $54 billion in China (see Chapter 1, Section 1), and is focused on information technology, pharmaceuticals, banking, energy technology, and auto components.[71] [72]

Democracy is strong in India, and the Indian experts with whom the Commission delegation met relished debating current issues. During the Commission's visit, interlocutors expressed a variety of opinions about the impact of China's development on Indian economic growth and regional stability. According to one academic, the most positive aspect of Sino-Indian relations is the burgeoning trade relationship, which is projected to reach $40 billion by 2010.[73] However, one economist argued that India's economic relationship with China is one-sided, and that the nature of trade between China and India is unhealthy for the development of Indian manufacturing. Most Indian exports to China are raw materials, and most imports from China are finished goods. This academic noted that the nature of the economic relationship does not help to enhance and strengthen Indian manufacturing capabilities.

Additionally, as India and China are on a similar trajectory of economic development, they compete for similar products and services in the market. For example, Chinese antibiotics have flooded the Indian market, and several Indian enterprises producing pharmaceuticals have closed because they cannot compete with the prices of Chinese products. However, other experts countered that the quality of Chinese goods is inadequate, and that this has allowed Indian manufacturers to be competitive in the domestic Indian market by providing products of higher quality.

Indian experts agreed that the security relationship with China continues to hold the potential to spoil economic relations between the two nations. As noted above, a deep mistrust of Chinese intentions remains among Indian policymakers stretching back to the 1962 border war. Indians echo frequent U.S. concerns that China's authoritarian political system, and a lack of transparency in the policy debates and decision-making apparatus of the government and the Chinese Communist Party that controls it, make it difficult to trust and develop a strong cooperative relationship with China. They also prevent India from deeply engaging China on security matters.

Border Dispute

The border conflict over which China and India fought in 1962 remains unresolved, and the line of actual control between India and China is not fully delineated. China and India meet regularly to mediate this dispute, and have agreed on "guiding principles" for resolving it, but have not yet produced a solution.[74] Chinese and Indian patrols meet face-to-face several times a year, and there is no shared understanding of escalation rules. Thus, there is the potential that a border skirmish can escalate into a wider armed conflict. China claims territories under Indian control, namely the Indian state of Arunachal Pradesh. In November 2006, prior to President Hu Jintao's visit to India, the Chinese Ambassador to India made a statement in which he called that state part of Chinese territory. China has gone so far as to deny visas to Indians from Arunachal Pradesh on the grounds they are Chinese and therefore do not need a visa to enter China.[75]

According to one former Indian military officer, China is holding this border dispute as a card to play against India, and will use it when it can derive a clear advantage. Another former government official noted that it appeared China was on track to compromise and settle the border dispute in a manner acceptable to India until the Indian government sought stronger ties with the United States. In this official's opinion, the expansion of the U.S.-Indian relationship caused China to become unwilling to offer concessions. At this point in the relationship, the official noted that both countries refuse to compromise.

China and India as Geopolitical Competitors

China has viewed India as a competitor for influence among developing nations, especially as India's economic growth has boomed. Cheng Ruisheng, a former Chinese ambassador to India wrote, "In recent years, as the Chinese and Indian economies have developed rapidly and their comprehensive national strength has continually increased, an argument has sometimes appeared . . . that the two powers . . . are bound to clash and a future conflict will be hard to avoid." However, Cheng argues that the foundation of the Sino-Indian strategic partnership, the Five Principles of Peaceful Coexistence, will prevent this from happening.[76]

Indian security experts believe that China's objective is to emerge as the leading power in Asia, and competition with India for predominance in the region is a result of this intention. These experts view the direction of China's military modernization efforts with concern, believing the capacities they see China acquiring will enable China to project power well beyond the Taiwan Strait and into India's immediate sphere of influence. Dr. Toshi Yoshihara, Associate Professor at the Naval War College, testified to the Commission that China's focus on certain niche capabilities—for example, its submarine forces—could be the "sharp end of the spear" to penetrate India's defenses.[77]

China's military modernization, including improvements in the People's Liberation Army (PLA) Air Force's capabilities such as in-flight refueling, and modernization of its air bases in Tibet and Chengdu, has enabled the PLA to shorten the time required to pre-

pare for a major military campaign against India. India also could be threatened by China's movement toward a blue water navy capable of projecting power into the Indian Ocean. Dr. James Holmes, Associate Professor at the Naval War College, testified:

> *As [China] expands its interests in the Indian Ocean, waging a vigorous soft-power diplomacy and backing maritime aims with material power, China will encounter another rising power—India—that entertains nautical ambitions of its own. Like China, India discerns real, compelling interests in the Indian Ocean, and it enjoys venerable seafaring traditions that offer a major reserve of soft power. Strategists in New Delhi phrase their arguments in intensively geopolitical terms—jarringly so for Westerners accustomed to the notion that economic globalization has rendered armed conflict passé. And the Indian economy has grown at a rapid clip—albeit not as rapidly as that of China—allowing an increasingly confident Indian government to yoke hard power, measured in ships, aircraft, and weapons systems, to a foreign policy aimed at primacy in the Indian Ocean region.*[78]

As discussed in Chapter 2, Section 1 ("China's Military Modernization") and also in Chapter 3, Section 3 ("The Strategic Impact of China's Energy Policies and Activities"), China appears to be energetically seeking expansion of its naval presence and reach into the Indian Ocean, with one major motivator being protection of the sea lines of communication (SLOCs) on which it depends for transport of energy resources from the Middle East and Africa to China. Dr. Holmes noted that such movement by the Chinese likely will result in a focus on expanding the PLA Navy's capabilities for long endurance operations and greater reliance on nuclear submarines.[79]

In addition, the military will seek locations for forward operations. The PLA Navy is establishing relationships with ports throughout the Indian Ocean and Persian Gulf that could be used to support forward operations and protect SLOCs, including ports in Pakistan, Burma, Sri Lanka, and the Maldives; and it also is building what a former Indian military officer termed "strategic land bridges" from strategic port locations, notably in Burma, to China's inner provinces.

This strategy has been named the "string of pearls," but as one Indian security expert noted, it does not consist only of establishing military bases and projecting China's military power, but also includes spreading economic and political influence. According to him, the "string of pearls" consists of economic engagement; supporting critical infrastructure projects such as building ports and pipelines; and becoming involved in regional politics. All these actions together encircle India and limit its influence in South and Southeast Asia. The concept of encirclement or containment is prominent in the minds of India policymakers and media. As one recent article stated, "China has done its own containment strategy—the 'string of pearls' India, however, fears that this string of pearls can become an iron necklace around it."[80]

Commissioners were told in New Delhi that some Indian analysts believe China's involvement in the Shanghai Cooperation Organization and its relations with Pakistan also have as key objectives constraining the development of Indo-Central Asian relations and may be succeeding to some extent. Security experts noted that they have observed China's "unprincipled engagement" with nations in Central, South, and Southeast Asia in which it has offered arms and economic support in exchange for the support of those nations in a geostrategic alignment against Indian regional power.

The immediate and long-term impacts of China's relationships with countries surrounding India are still debated in Indian policy circles. A former military officer stated that without Sino-Indian economic engagement, China's encirclement of India would have become a source of instability on the subcontinent. Other interlocutors noted that some policymakers are willing to balance their concerns about China's activities designed to constrain Indian influence with their desire to foster open trade and economic engagement.

In response to the situation, India is hedging against China's rise to regional dominance while it simultaneously is attempting to maintain its leadership in South Asia and, more broadly, to secure a place as a leader in all of Asia. India has developed a "Look East" policy whose focus is the use of foreign policy instruments to seek mutually beneficial cooperation with other Asian nations, to serve as a leader for struggling democracies in the region, and to offer an alternative to partnering with China. This involves India's participation in various multilateral dialogues such as with the Association for Southeast Asian Nations (ASEAN), and its active pursuit of strong bilateral relations in the region. In a speech in April 2007, Foreign Secretary Shri Shivshankar Menon stated:

> *As we look forward to an increasing role in global affairs we need to expand our network of international relationships, political engagement, and economic and technical cooperation with the world. We are looking today at expanding circles of engagement, starting with the immediate neighbourhood, West Asia, Central Asia, South-east Asia and the Indian Ocean region.*
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> *This is reflected in our political, economic and defence engagement with these regions. Our Look East Policy and the consequent intensified engagement with East and South-east Asia [have] led to the rebuilding of India's historically benign and stabilizing role in these regions premised on the commerce of ideas and goods . . . We need to strengthen political, physical, and economic connectivity between India and East Asia and broaden the underpinnings of our quest for peace and prosperity. We are also adding important elements to our traditional ties with countries of the Persian Gulf region by leveraging economic opportunities.*[81]

Additionally, Dr. Holmes testified:

> *Indeed, both Indian thinkers and outside observers often speak of an Indian equivalent to the Monroe Doctrine that seeks to place the region off-limits to external politico-military intervention. If intervention is necessary, imply Indian leaders, India should take the lead rather than give outsiders a pretext for doing so. Such a doctrine will inevitably have a strong seafaring component to it. New Delhi has nonetheless signaled its reluctance to allow any outside power to gain territories in the Indian Ocean basin or to police the region—perhaps in search of an excuse for territorial aggrandizement. And India clearly wants the wherewithal to make good on its claim to preeminence in the region, with naval officials openly declaring that the nation needs a blue-water navy to fulfill the missions set forth in India's 2004 Maritime Doctrine.*[82]

Part of India's "Look East" policy that seeks to increase India's diplomacy in Southeast Asia promotes strengthened relations with Burma.[83] Both China and India have sought access to Burma's natural gas resources. Burma is expected to announce the winner of a contract to develop the Shwe gas fields in western Burma, and both Indian and Chinese companies have submitted bids.[84] An Indian security expert told the Commission that Western isolation of Burma requires India to engage in order to hedge against China's increasing its patronage of Burma, and to ensure that China does not lock up Burma's resources. A former Indian government official argued that Burma is vital to India strategically, and that the United States should accept that all countries must have relations for their own strategic reasons, even with nations whose governments the United States finds objectionable.

Ms. Thin Thin Aung, a Burmese activist, testified before Congress in 2006 that "what was once [India's] noble policy towards Burma based on democratic values has been replaced during the last decade by one that marginalizes aspirations for freedom of the Burmese people and our ethnic Nationalists."[85] This has been observable in India's response to the protests of Burmese citizens against the military regime in September 2007. India's news source *The Hindu* reported that Indian forces on the Indo-Burmese border increased patrols to prevent activists and protesters from escaping into India.[86] India also publicly opposed the imposition of U.N. sanctions against Burma, stating that it preferred dialogue and diplomacy, and saying that it has "developed a 'useful' relationship with the military regime without giving up on [India's] interests."[87]

Throughout this period, India has not altered its standing policy of investment in Burma's energy sector. India's Petroleum Minister traveled to Burma just days following the protests against the Burmese military regime and massacre of pro-democracy activists, and representatives of the two countries signed three Production Sharing Contracts for natural gas exploration.[88] Additionally, on October 10, 2007, both countries announced that they will be signing a formal agreement to develop the Sitwee port on the Kaladan

River, allowing India's landlocked states in the northeast access to the Bay of Bengal.[89]

Iran is another relationship of strategic importance for India. In the conduct of its relationship with Iran, India is mindful of its relationship with the United States. In 2003 Iran's President Mohammed Khatami visited India and signed seven accords regarding strategic cooperation, resources management, oil and gas exploration, and trade.[90] Indian and Iranian armed forces have conducted joint military exercises.[91] The focus of this relationship is access to energy resources. India purchases approximately 7.5 percent of Iran's oil exports.[92]

Interestingly, India's engagement with Iran has not always created a negative spirit of competition with China; instead it has fostered India-China cooperation. A report prepared for the Commission in 2006 concluded that:

> *China and India . . . are economic powers dependent on cheap Middle East oil. Their interests are in working together with major consumers to keep prices reasonable. To this end, the two states have recently signed an agreement designed to end the "mindless rivalry" over oil. The agreement has established a formal procedure to exchange information about oil development bidding. The agreement may lack teeth, but it demonstrates that two of the world's major consumers have recognized that, as India's petroleum minister put it, "rivalry only benefits those who are selling assets, no matter which country wins."*[93]

The report also noted that from 2005 to 2006 China, India, Russia, and Iran signed energy deals with each other valued at about $500 billion.[94]

India's energy cooperation with Iran complicates India's policy toward Iran's nuclear program and noncompliance with the International Atomic Energy Agency (IAEA) safeguards and inspections requirements. It also complicates India's relationship with the United States. U.S. law requires sanctions on investments over $20 million in one year in Iran's energy sector.[95] From 2004 to 2006, two individuals and four companies from India were sanctioned by the United States under the Iran Nonproliferation Act of 2000.[96]

In January 2006 the U.S. ambassador to India stated that future U.S.-India civil nuclear cooperation was contingent on India's support in the IAEA for the steps the United States took to persuade members of the IAEA to approve the referral of Iran to the Security Council for sanctions.[97] In addition, the U.S. Congress passed the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006, declaring that the United States' policy should be to secure India's support for containing and, if necessary, sanctioning Iran for its efforts to develop weapons of mass destruction. At the time this Report is being published, the future of this agreement is uncertain.

The dynamic of China's and India's engagement in the region generates competition for regional influence, which also affects the United States' standing in Asia and the perception by other nations in the region of the United States as an economic and security partner. However, the relationships that China and India have

with Burma and Iran, and the competition of the two giants for energy resources and other interests within Burma and Iran, create a race to the bottom in terms of fostering democratic principles, human rights, and transparent and accountable government.

Academics noted that India also is hedging against the potential collapse of China's internal political and economic system, if the CCP cannot adapt to market forces and societal pressures and overcome the array of increasingly serious challenges it faces in managing the nation and its population. In many meetings with the Commission delegation, Indian interlocutors mentioned the rising internal instability in China and its potential to lead China into either economic collapse or external aggression, each of which may have serious consequences for the United States and India.

India is addressing both these scenarios by diversifying its trade relationships, developing multilateral relationships in the region (such as through participation or observer status in regional organizations), and strengthening bilateral relations with the United States, Japan, Australia, and Taiwan. Additionally, it is promoting its political values as an alternative to China's authoritarian control that is anathema to many in the region.[98] Experts disagreed as to which strategy would be more effective for Indian foreign policy. Some Indian academics and policy experts noted that India's multilateral engagement, such as the recent Malabar naval exercises with the United States, Australia, Japan, and Singapore, appears to create an Asian bloc against Chinese expansion, and would work against Indian interests by impeding India's ability to develop a positive relationship with China. One former government official specifically argued in support of promoting bilateral relationships instead of multilateral relationships so as to avoid the appearance of ganging up on China. However, other experts countered that multilateral engagement is a sovereign nation's right, and if it benefits India's security interests, then India should proceed without concerning itself about China's reaction.

Tibetan Refugees in India and the Tibetan Government-in-Exile

The presence of Tibetan refugees in India is a sensitive subject in Sino-Indian relations. After China took control of Tibet in 1950, India allowed refugees to enter the country and establish communities in exile. The Dalai Lama escaped to India in 1959 and established the Tibetan Government-in-exile in Dharamsala, approximately 800 miles south of Lhasa, Tibet. Approximately 85,000 Tibetans reside in communities in India, with another 14,000 living in Nepal.[99] The Commission delegation was told that India allows protests and demonstrations to express Tibetan solidarity and promote human rights, but that the Tibetan exile population, recognizing the sensitive political relationship between India and China vis-à-vis Tibet generally does not directly criticize Chinese policy or otherwise inflict damage or strain on Sino-Indian relations. China continues to use force against Tibetans fleeing China, as demonstrated in October 2006 when Chinese troops fired into a group of Tibetans crossing the Nangpa La pass into Nepal.[100]

China is building infrastructure actively in the provinces that border India. For example, in July 2006, China opened a railway connection from Qinghai province to Lhasa. Approximately 30,000 workers, including 10,000 Tibetans, labored to construct the rail line.[101] One motivation for this investment appears to be to improve Chinese access to Tibetan natural resources—including water, copper, gold, and chromium. Another motivation is to facilitate the movement of Han Chinese into Tibet. Additionally, China's energy companies are pursuing hydropower projects in Tibet, which potentially could affect the downstream flows of 10 river systems providing water to China, India, Pakistan, Vietnam, Cambodia, Laos, Thailand, Nepal, Bangladesh, Burma, and Bhutan.[102] Perhaps the greatest cause for concern in India about the infrastructure developments on the Chinese side of the border is the recognition that expanded development in the Chengdu and Lanzhou military regions—including the provinces of Tibet, Xinjiang, and Yunnan—could allow Chinese forces to mass troops more quickly in the event of a border conflict with India. Absent a resolution to the long-running border dispute, continued Chinese infrastructure development in Tibet could increase tensions between China and India.

Impact of the Sino-Indian Relationship on U.S.-China Relations and U.S. Strategic Interests in Asia

The impact of the Sino-Indian relationship on U.S.-China relations has economic, security, and geopolitical facets. According to one former Indian government official, Indian foreign policy is reliant upon the nation's relations with the United States, Russia, and China. India wants to minimize contention with China, while at the same time it boosts relations with the United States and Russia to balance China's influence. China recognizes that security along its borders with India is necessary for stability, control of minority populations living in the border areas, and economic development; China also is interested in promoting Sino-Indian relations as a counter to U.S.-Indian relations. Depending on how China and India approach their bilateral trade and security relationship, the result could be enhanced or weakened regional stability

In the opinion of some Indian security experts, China does not want a conflict on the border because it wants to focus on developing the provinces and maintaining political stability. These experts posited that China may try to avoid a border conflict in order to facilitate development of greater trade linkages between India and some of China's poorest provinces. This would result in greater regional trade integration and the formation of cross-border production networks. A stronger relationship might enable both countries to cooperate willingly to exploit new energy resources in places such as Burma and Iran, and to share technologies to reduce energy demand. Such a course, if it develops, will concern U.S. policymakers because U.S. influence in Asia could be curtailed as China's and India's influence grows. In addition, Indian-Chinese cooperation could facilitate continuation of human rights abuses and conflict in Middle Eastern and Southeast Asian nations—by funding the governments engaged in these abusive activities through the purchase of energy resources, and by selling arms to them.

However, if India perceives that China is succeeding in its efforts to encircle India and to constrain its growth and influence, India could decide to expand controls over trade and investment in an attempt to protect its economy from being undermined by inexpensive Chinese imports. India could be more assertive in its advancement of economic and energy ties around the region, and in its promotion of democracy as an alternative to China's state-led development model. It also could adopt a more aggressive stance on the border issue with China and seek a stronger role in security matters in Asia.

India also could seek a stronger relationship with the United States. Representatives of an Indian think tank who met with the Commission delegation noted their belief that China is suspicious of the United States' relationship with India and is wary of being edged out of Asia by a strong U.S.-India relationship. If the United States and India strengthen their relationship, China in response could work to strengthen ties further with Pakistan and other nations bordering India. China also could attempt to lessen tensions in the U.S.-China relationship in order to foster the image that it is a positive trading partner and diplomatic partner in Asia. Yet, Dr. Jing-dong Yuan from the Center for Nonproliferation Studies writes, "Washington and New Delhi share normative values such as democracy and strategic interests such as terrorism while Beijing's ties with both are more driven by contingent rather than structural interests." [103]

The interplay of Sino-Indian relations will affect not only U.S. bilateral relations with China and India, but also U.S. strategic interests in Asia. Both the United States and India are attempting to hedge against China's rise, and a stronger U.S.-India relationship could serve as a counterweight to China's regional influence. This common interest could facilitate greater cooperation by the United States and India on economic and security issues. For example, cooperation between U.S. and Indian military forces in the Indian Ocean can help to ensure protection of sea lines of communication and the vital resources that transit through them. Opportunities also exist for coordinating humanitarian responses and expanding trade.

Additionally, the United States has an interest in building democracy throughout the region. India, although a democracy, and China appear to have interests that are at odds with this U.S. interest. India's and China's relationships with Iran sustain a regime that is known to support the insurgency in Iraq, and their support of the military regime in Burma and their continued financial investment there undermine Burma's democratic movement. Future cooperation between India and China in Iran and Burma could further stymie U.S. and multilateral initiatives to broaden global democratic governance, secure Iraq, curb Iran's nuclear proliferation, and address the human rights violations in Burma.

Conclusions

- The United States and India share similar concerns about the rise of China, the spread of its influence in Asia and elsewhere around the world, and the security implications of an

emboldened China willing to assert its military power in areas outside its borders and territorial waters.

- Although India does not want to be perceived as "ganging up" against China, it will seek to expand its multilateral relationships to hedge against China's growing influence and military strength. In part because of this, opportunities exist for U.S.-India cooperation on economic and security matters and in the promotion of democratic values and governance throughout Asia.